State - Boston Retirement System

Preliminary Investment Performance "Flash" Report

Periods Ending 7/31/2011

| | | | | | Year to-Date | _ | Annualized Returns | | | |
|------------------|--------|-------------------|------------------------------|---------------|-----------------|--------------|--------------------|---------------|------------------------|---------------|
| Target Weight | | Weight in Fund | | Last Month | | Last Year | Three Years | Five Years | Ending Market Value | Annual Fee |
| 100.0% | 100.0% | 100.0% | Composite (Gross) | -0.6% | 5.1% | 16.4% | 4.0% | 5.0% | \$3,293,670,631 | |
| | | | Composite (Net) | -0.6% | 4.9% | 16.1% | 3.7% | 4.7% | | |
| | | | Composite incl. PRIT | -0.6% | 5.2% | 16.5% | n/a | n/a | \$4,576,030,954 | |
| | | | Allocation Index | -0.6% | 3.9% | 15.0% | 4.0% | 4.7% | | |
| | | | Policy Index | -0.5% | 5.1% | 16.4% | 4.4% | 4.7% | | |
| | | | PRIT Core Fund/Teachers | -0.5% | 5.5% | 16.6% | n/a | n/a | \$1,282,360,323 | |
| | | | PRIT Core Fund | -0.5% | 5.5% | 16.7% | 2.2% | 4.2% | | |
| | | | 50% MSCI ACWI/50% CITI WGBI | 0.4% | 4.9% | 14.1% | 4.7% | 5.9% | | |
| 45.0% | 50.0% | 50.9% | Total Equity | | | | | | \$1,675,968,059 | |
| 20.0% | 21.0% | 21.8% | Large Cap Equity Composite | -2.2% | 4.3% | 21.8% | 2.9% | 3.0% | \$719,376,960 | |
| | | 1.1% | SSgA Russell 3000 Index | -2.3% | 4.0% | 21.1% | 3.7% | 3.1% | \$37,228,742 | 0.039 |
| | | 3.4% | Rhumbline Advisors | -2.0% | 3.9% | 19.7% | 3.2% | 2.6% | \$111,738,352 | 0.07% |
| | | 3.2% | J&W Seligman | -4.1% | 3.6% | 20.4% | 2.7% | 3.7% | \$105,724,959 | 0.429 |
| | | 1.8% | Zevenbergen Capital | -2.4% | 4.5% | 31.2% | 9.6% | 10.8% | \$60,555,808 | 0.79% |
| | | 2.4% | Intech | -2.1% | 6.9% | 27.5% | 4.5% | n/a | \$78,689,762 | 0.47% |
| | | 4.6% | DE Shaw Core Enhanced | -1.5% | 4.3% | 19.9% | n/a | n/a | \$151,843,999 | 0.09% |
| | | 2.8% | DE Shaw 130/30 | -1.2% | 4.7% | 20.5% | n/a | n/a | \$92,908,627 | 0.78% |
| | | 2.4% | JP Morgan 130/30 | -2.1% | 2.2% | 18.6% | n/a | n/a | \$80,686,710 | 0.80% |
| | | | S&P 500 | -2.0% | 3.9% | 19.7% | 2.9% | 2.4% | | |
| | | | Russell 1000 | -2.2% | 4.1% | 20.7% | 3.3% | 2.8% | | |
| | | | Russell 1000 Value | -3.3% | 2.4% | 16.8% | 1.3% | 0.0% | | |
| | | | Russell 1000 Growth | -1.0% | 5.8% | 24.8% | 5.3% | 5.5% | | |
| 5.0% | 7.0% | 6.6% | Small Cap Equity Composite | -3.8% | 5.1% | 28.5% | 8.0% | 8.4% | \$217,759,770 | |
| | | 2.9% | The Boston Company | -3.2% | 0.1% | 15.8% | 6.6% | 5.6% | \$97,093,646 | 0.82% |
| | | 3.7% | Westfield Capital Management | -4.2% | 9.4% | 40.4% | 9.5% | 11.6% | \$120,666,123 | 0.78% |
| | | | Russell 2000 | -3.6% | 2.4% | 23.9% | 5.2% | 4.0% | | |
| | | | Russell 2000 Value | -3.3% | 0.3% | 18.5% | 4.1% | 1.8% | | |
| | | | Russell 2000 Growth | -3.9% | 4.3% | 29.3% | 6.1% | 6.1% | | |
| | | | Russell 2500 | -3.8% | 4.0% | 25.2% | 6.5% | 5.1% | | |
| 20.0% | 22.0% | 22.4% | Int'l Equity Composite | -1.3% | 3.6% | 19.8% | 2.9% | 4.1% | \$738,831,329 | |
| | | 5.8% | The Boston Company Int'l | -2.8% | 0.0% | 12.1% | 1.7% | 1.3% | \$190,777,561 | 0.41% |
| | | 6.3% | Panagora Asset Management | -1.7% | 5.6% | 21.5% | 0.8% | 2.4% | \$206,417,756 | 0.10% |
| | | 5.3% | Fisher | -1.2% | 6.5% | 27.4% | 2.1% | 4.1% | \$175,975,026 | 0.56% |
| | | 3.1% | Alliance | 0.4% | -0.3% | 16.6% | 6.0% | 10.5% | \$100,590,168 | 1.00% |
| | | 2.0% | Vontobel | 1.0% | 7.7% | 27.0% | 13.3% | 16.4% | \$65,070,817 | 0.75% |
| | | | MSCI EAFE (NET) | -1.6% | 3.3% | 17.2% | -1.2% | 1.0% | | |
| | | | MSCI Emerging Markets | -0.4% | 0.4% | 17.4% | 5.4% | 11.0% | | |

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| Target Weight | Interim Target | Weight in Fund | | | | | | Last Year | Annualized Returns | | | |
|------------------|-------------------|-------------------|---------------------------------------|----|----------------------|----------------------------|------------------------|--------------|--------------------|---------------|------------------------|---------------|
| | | | | | | Last Month | Year to-Date | | Three Years | Five Years | Ending Market Value | Annual Fee |
| 31.0% | 28.0% | 26.0% | Total Fixed Income | | | | | | | | \$857,104,024 | |
| 16.0% | 14.0% | 13.7% | Core Fixed Income | | | 1.8% | 4.9% | 5.3% | 8.2% | 7.3% | \$450,793,416 | |
| | | 2.6% | SSgA Bond Market Index | | | 1.6% | 4.3% | 4.5% | 7.1% | 6.7% | \$86,321,617 | 0.05% |
| | | 4.7% | Richmond Capital Management | | | 1.9% | 5.0% | 5.2% | 8.2% | 7.1% | \$154,136,476 | 0.14% |
| | | 5.0% | Wells Asset Management | | | 1.7% | 5.2% | 5.8% | 9.3% | 8.2% | \$166,295,949 | 0.20% |
| | | 1.3% | Loomis Sayles Bank Loan | | | 0.4% | 2.8% | 7.2% | n/a | n/a | \$44,039,374 | 0.45% |
| | | | BC Aggregate | | | 1.6% | 4.4% | 4.4% | 7.0% | 6.6% | | |
| 6.0% | 6.0% | 6.3% | High Yield Income | | | 1.5% | 5.1% | 12.4% | 11.2% | 8.4% | \$207,773,270 | |
| | | 4.6% | Fountain Capital Management | | | 1.9% | 5.7% | 12.3% | 11.4% | 8.5% | \$152,541,423 | 0.46% |
| | | 1.2% | Aladdin Credit Opportunities | | | 0.6% | 4.4% | 8.1% | n/a | n/a | \$38,528,586 | 0.45% |
| | | 0.2% | Golden Tree ¹ | | | n/a | n/a | n/a | n/a | n/a | \$7,325,020 | 0.45% |
| | | | BC High Yield | | | 1.3% | 5.9% | 12.6% | 9.7% | 7.2% | | |
| | | 0.3% | Perella Weinberg ¹ | | | n/a | n/a | n/a | n/a | n/a | \$9,378,241 | |
| | | | HFRI Fixed Income Asset Backed | | | 1.0% | 7.0% | 12.2% | 12.5% | 8.8% | | |
| 4.0% | 4.0% | 6.0% | Global Fixed Income | | | 2.3% | 7.4% | 13.0% | 9.4% | 9.1% | \$198,537,338 | |
| | | 6.0% | Loomis Sayles | | | 2.3% | 7.4% | 13.0% | 9.4% | 9.1% | \$198,537,338 | 0.27% |
| | | | Citigroup WGBI | | | 2.3% | 6.4% | 9.1% | 6.5% | 7.7% | | |
| 5.0% | 4.0% | 0.0% | New Fixed Income Mandate | | | | | | | | | |
| 24.0% | 22.0% | 21.9% | Total Alternative Assets | | | | | | | | \$721,167,193 | |
| 9.0% | 9.0% | 8.0% | Hedge Fund Composite ² | | | 0.0% | 1.6% | 6.9% | 1.3% | 2.4% | \$262,044,579 | |
| | | 1.7% | Arden Endowment Advisors ³ | | | 0.3% | 1.6% | 6.7% | 0.7% | 2.0% | \$55,304,809 | |
| | | 1.7% | Mesirow Absolute Return Class J | | | -0.5% | 3.0% | 9.4% | 0.6% | 2.9% | \$54,639,702 | |
| | | 0.2% | Ivy Maplewood Associates II LP 4 | | | n/a | n/a | n/a | n/a | n/a | \$5,121,058 | |
| | | 1.3% | Federal Street Offshore LTD | | | -0.5% | -0.5% | 4.4% | -1.9% | n/a | \$41,659,507 | |
| | | 1.3% | GAM | | | 0.3% | 0.3% | 3.6% | -2.4% | n/a | \$43,845,889 | |
| | | 1.9% | Permal | | | 0.3% | 3.0% | 10.4% | 7.6% | n/a | \$61,473,614 | |
| | | | HRFI HFoF | | | 0.4% | 0.1% | 6.3% | -0.8% | 1.7% | | |
| 0.0% | 0.0% | 1.2% | Cash | | | 0.0% | 0.0% | 0.1% | 0.5% | 2.0% | \$39,431,355 | |
| | | | | C | Committed Capital | Cumulative Distribution | Contributed Capital | QTR | Last Year | Last 3 Years | Valuation | |
| 10.0% | 8.0% | 8.7% | Real Estate IRR ⁵ | \$ | 610,973,691 | \$ 322,481,935 | \$ 521,100,067 | 3.9% | 20.3% | -12.0% | \$285,572,513 | |
| | 5.0% | 5.3% | Private Equity IRR ⁵ | | | | \$ 324,423,866 | 2.7% | 13.1% | 2.5% | \$173,550,101 | |



¹ Perella Weinberg and Golden Tree market values as of 6/30/2011.

² All hedge funds values are net of fees.

[^] Perella, Golden Tree, Ivy, PE & RE report on a quarterly basis.

³ Ending market values and performance for Arden is estimated and preliminary.

⁴ lvy ending market value as of 12/31/2010 adjusted for subsequent distributions.

⁵ Real Estate and Private Equity valuations are as of 3/31/2011.